

DELAWARE BAY BEACH WORK GROUP

September 14, 2012

SENATE HEARING ROOM, DOVER

10:00 – 1:00 PM

AGENDA

- Comments from Co-Chairs
- Presentation from Johnson, Mirmiran and Thompson on the preliminary findings of the Delaware Bay Beach Economic Study
- Update on status of Drainage Study

Welcome – Senator Simpson

Committee Members in Attendance – Senator Brian Bushweller, Senator Gary Simpson, Representative Ruth Briggs King, Representative Harvey Kenton, Representative Harold Peterman, Sarah Cooksey, Tony Pratt, Frank Piorko, Kelvin Ramsey, David Wunsch, Michael Petit de Mange, Michael Stroeh and Ralph Reeb

Tony Pratt – Status of PBS&J Study

The PBS& J plan that is before us is still intended to be constructed. The economic analysis that has been done, that we will hear about for the bulk of the meeting today, will be data and information used for consideration for future work beyond that PBS& J work. I say that expecting that we will get the funding needed to conduct that 10 year plan of work that we all have been looking at for about 3-4 years. We have been doing interim and low volume truck haul projects in many of the bay beach communities for the last several years. We will continue that work as we continue to strive to get the larger PBS& J template on the beach. There are a number of balls in the air, we have had to investigate the completely new borrow areas in order to meet the sediment needs for these communities. Where we have taken sand out before the commercial dredges cannot get into these sites it is too shallow. So it has been an extensive amount of geotechnical work and going through permitting. We have the added bonus of the main channel deepening project coming on board we expect maybe as early as next year. The designated spot for that sand to go has been for the duration of that planning efforts by the Corps, has been Broadkill Beach. This changes the dynamics of the south reach as we had talked about. We are still waiting to make sure that is exactly what is going to be happening. We are in the process of refocusing our attention on the north reach and getting that going more quickly. So,

all those things leads us to moving forward with the PBS&J plan which is still the intention of the State; to fund that as we have been funding those project historically. It depends on us achieving the funding we need to get that. We re-estimated the original PBS&J cost estimates that were used in the study. These costs were based on work we had just done prior to that study at Broadkill and Slaughter beaches. So the projection for the funding needs for those projects was based on those actual contracts. We had a different contract last year for Lewes Beach which was with the exact same company that had worked Broadkill and Slaughter several years earlier for us in 2005-2006. That same company, Cottrell Dredging out of Norfolk, did Lewes Beach last year at a rate that was almost double what was charged to us at Broadkill and Slaughter. So, we have asked the original contractors to go back and re-estimate the costs of those projects at that adjusted price amount, and of course that has doubled. It has gone from \$16 million to almost \$30 million in projected needs to do the projects. That is what we are seeking at this point. But the work that we are talking about, the economic analysis today is for application and projects beyond this initial PBS&J construction.

Question – Senator Simpson: Talking about the river deepening project which will free up monies for work at the other beaches. What is the status of that project?

Tony – That reduces the amount of money we would be asking for in the next couple of years. Not freeing up money that is currently available, so it reduces a request. The current plan by the Corps of Engineers is to be in a position as early as September of 2013 to be pumping sand on Delaware Bay beaches, at this point Broadkill beach is their target. There are number of things that have to happen to make that happen. The Corps will have to obtain new easements that meet the federal standards if Broadkill is to remain the designated site. And we have begun that process. The Corps will have to receive the money in the 2013 work plan from the federal government which is still yet to be seen but is expected. It goes through a permitting process and a procurement process and then we will proceed. If all goes well we will be able to move forward. They have been doing a sequence of reaches of the Delaware deepening project and they have gone out exactly as expected, in the timeframes as they expected. Their planning and achievement record has been pretty good on this project over the last couple of years. Because of the work the Corps is proposing at Broadkill Beach our attention in DNREC has moved to the north reach of the Kent county beaches.

Question – Representative Ruth Briggs King: Why did cost double what was the factor?

Tony – I cannot really answer that question other than that is what the same contractor charged just a few miles down the beach where they had done work a few years earlier. The actual competitive bid process came out double of what we had done before. I have talked to the Corps and some of the dredging contractors and asked is that because you are bidding on a federal job that may have more requirements? And they said “No” actually bidding on federal jobs is almost easier because it is so laid out that we know what we are doing. There are more questions to be asked on State or county level jobs around the country. But we went ahead and

put in the new numbers because they are real contracts obtained in a competitive process. There could be lots of factor as to why that number is higher. Fuel cost is one, labor cost are another. The competitive nature of the business, it could be that at the time slot that the Corps bid Lewes Beach there were no other dredges available that were in competition with Cottrell and they could make a lot of money on this project. We felt that we were honor bound to put in the higher number since it was an actual real number.

Senator Simpson – Our purpose today is to hear the results of the economic analysis that was conducted by Johnson, Mirmiran & Thompson, Jim Eisenhardt. We will hear the presentation, hear from the Committee, hear from the audience and then ask the Committee to go back to their respective constituency for feedback on the plan. Then come back to our next meeting with discussion on points going forward.

Jim Eisenhardt - Presentation - Results of the Delaware Bay Beach Economic Study:
<http://www.dnrec.delaware.gov/swc/shoreline/pages/delawarebaybeachworkgroup.aspx>

Handout - Summary Data – Economic Analysis of Delaware Bay Shore Management Options – Benefits and Costs By Scenarios: Totals
<http://www.dnrec.delaware.gov/swc/shoreline/pages/delawarebaybeachworkgroup.aspx>

Senator Bushweller – We have always known since the beginning of this Group that we had both a short term obligation as State government to deal with the immediate kinds of issues that affect the bay beach communities. But we have also known that in the longer term there were going to be some big issues, very important public policy issues for the State of Delaware, the counties in particular to address. It was important that we heard from Tony Pratt this morning indicating that the implementation of the results of PBS& J Study is on-going. And that at least helps, and I understand that there are other issues, with the short term issues. Especially with the end results we have before us this morning, we know that the costs of dealing with the effects of sea level rise, beach migration on these communities is going to be substantial. From a political prospective this kind of data that has been developed by this Group will assist the people who are most directly affected by these issues and their elected representatives in formulating proposals about what should or could be done about it. But by definition that is not a majority of the State and as a consequence I think it will be important for those affected by this to formulate the data in the best way and come up with the best ideas with how to deal with it. Then carry those ideas with the arguments behind them to rest of the State that are not directly affected by the whole thing. Because unless there is that kind of overall political consensus developed I don't think we will be able to reach any kind of real conclusions. I will be happy to be one of those people that will carry the message you develop to the General Assembly and the county government. The fact is this is a fundamentally important issue that the State of Delaware is going to have to address over the next several years. It is going to have too much of an impact on our State not to do that. I will be happy to be a non-chair participant.

Frank Piorko - Status of Drainage Study

This committee has taken on an added responsibility for looking at a process to establish priorities for the smaller drainage to moderate flooding projects in each of these bay beach communities. Throughout this process we have looked at a way to establish a way to prioritize these projects to look at what we think the communities feel are important. Right now we are in negotiations with one of the consultations as a result of the Request for Proposal to assist us. It is our hope that we have a contract in the next 4-6 weeks. The scope of work and proposal that we will be moving forward with in each of the 7 bay beach communities will involve data collection. We have tremendous body of information as a result of the work from this Group. We will gather that body of information and complied with the history of the drainage concerns that we have in our own data base. We will be looking at conducting community meetings to discuss specific drainage information. We want to know what happens during high tide, low tide, when it rains 2 inches in their communities. The consultant will be charged with field visits and observations that they will make in determining problem identification in each of the bay beach communities. We will look at possible solutions, costs estimate for those solutions and we will be prioritizing these problems and solutions in each of the communities. Our consultant will be tasked with coming up a 30 percent design solution for about 10 of these projects. It is our intent to replicate a process that we think worked fairly successfully in Bowers. As well as develop a list of projects and move forward with the plans for implementation solutions to these projects including cost estimates. So this will not just be a laundry list of things we could take care if we had money. We will be involving our friends from DelDOT in the discussions many of these will have to do with road drainage issues or water that flows in and through DelDOT roads as well as many of the landowners. We think we can have our consultant actively working in the next 45-60 days.

Comments can be submitted to:

Senator Gary Simpson – Gary.Simpson@state.de.us

Tony P. Pratt – Tony.Pratt@state.de.us

Frank Piorko – Frank.Piorko@state.de.us

No new meeting date was established at this time.